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a report from the
AMERICAN BUS ASSOCIATION
1979

The Staff

Norman R. Sherlock
Executive Vice President

Frederick H. Mueller
Vice President, Research

Stephen M. Kirchner
Director, Marketing/ Membership Programs

Neil Boggs
Director, Public Information

David H. Miller
Director, Legislative Affairs

Ellie M. Strohl
Manager, Membership Services

The American Bus Association is the national organization of the Intercity Bus Industry. The Association was founded in 1926 as the National Association of Motor Bus Operators, and in 1977 changed its name to American Bus Association.

The ABA membership consists of Bus Operating Companies, a Travel Industry category, and an Associate member category.

Bus Operating Companies include Greyhound Lines, Inc., Trailways, Inc. system and some 450 other carriers throughout the United States and Canada. Collectively, these carriers provide more than 90% of all intercity bus travel in the U.S. and Canada.

The Travel Industry category consists of hotel/motel chains and properties, food service organizations, attractions and theme parks, and local, state, regional and federal promotion organizations interested in working with bus companies to expand tourism in North America. This category was established in 1977, has over 600 members, and is continuing to expand.

The Associate membership category consists of bus manufacturers, oil and tire companies and other suppliers of goods and services to the industry.

President's Message

In past years we in the bus industry have focused on the problems which confronted us. We faced declining ridership, a restrictive regulatory climate, government subsidized competition, and an affluent society which had embraced the private automobile for its primary transportation needs. These problems, individually and collectively, were contributing to the long term erosion of our viability as an industry. It was and continues to be necessary to focus on them and to work toward their resolution.

But I believe that the time has come to also focus on our opportunities. We have reached a point at which this nation must re-evaluate its entire approach to the problem of transporting its citizens. The time of cheap, unlimited supplies of fuel is now history.

The political leaders of this country, faced with massive trade deficits and the threat to national security posed by our reliance on OPEC supplies, must seriously re-evaluate our national transportation policies.

The individual citizen, faced with the increasing cost and potential scarcity of fuel supplies, must re-evaluate his personal transportation needs.

There will be an evolution in the methods by which this country moves its people. It has already begun. It will provide many opportunities for our industry. Just as the adversities of prior years surfaced slowly and, at times, imperceptibly over a period of years, so too will our future opportunities arise. We must be alert. We must perceive these opportunities and pursue them aggressively.

Evidence of this evolution is beginning to appear.

Amtrak's political support appears to be weakening. The hard questions are finally being asked. Hopefully a budget-conscious Congress and Administration will continue to ask these questions.

The multi-billion dollar tourism industry has recognized the importance of the bus and the vital role it performs. In less than 2 years, we have seen over 600 tourism-related organizations join our Association to work with us in expanding the role of the bus in the tourism industry on both regular routes and tour and charter service.

The least perceptible, but probably most important development, is the changing attitude of the American public toward the very idea of traveling on a bus. Our potential customer is now driving a smaller, less comfortable car and paying a sky-rocketing fuel bill, which is going to continue to increase. He is concerned about his transportation needs, about the energy problems of the country and is receptive to the idea of alternate approaches.

As an industry we have much to offer. In terms of fuel efficiency and cost effectiveness, there is nothing comparable to the intercity bus. From the standpoint of availability we are also unmatched. It doesn't take ten years to plan and construct a bus route. We are not confined to a track or an airport; we have the flexibility to meet the nation's transportation needs wherever they may be. In spite of the enormous difficulties we have faced, we remain the largest intercity passenger transportation service in the country. Through our tax payments we have been forced to subsidize our competition, yet we survive as an outstanding example of the free enterprise system.

We must continue to educate the public and its leaders of the vital role which this industry now fulfills and of the even more vital contribution it can make to our evolving transportation systems.

Events have provided the opportunity but it remains for us as an industry to grasp that opportunity. We must think beyond simply operating buses and begin marketing the entire concept of bus transportation for the commuter, the vacationer and the intercity traveler. This nation needs fuel-efficient, pervasive transporation and this industry can provide it.

Arthur Leach

A New Beginning

For many years the intercity bus industry has been adversely affected by political, economic and social trends over which it has had little or no control. Other factors are now impacting our industry in a favorable manner and are providing new opportunities for expansion and development of the intercity bus system.

The politics of petroleum, both national and international, have changed. The price of oil has increased and will continue to increase. The availability and sources of supply are changing. This country, because of its increased dependence on imported oil, has weakened itself both financially and politically.

Myriad solutions are being proposed for these problems; many are expensive and long term. Ultimately, the solutions will be found in practicality and economic common sense. The United States will have to make the most efficient use of those energy resources that it has. Since transportation accounts for more than 50 percent of our petroleum usage, and since petroleum is the only available power source for transportation needs, more efficient transportation systems must be developed.

In the search for a fuel efficient, balanced transportation system, it will be impossible to ignore the intercity bus.

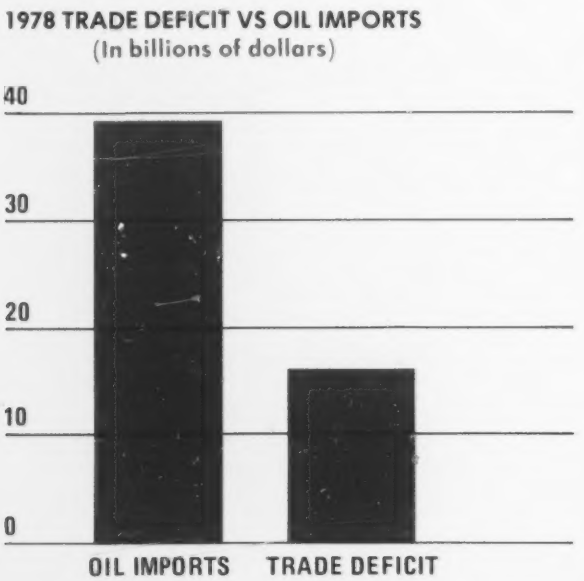
RECENT DEVELOPMENTS

Although the external influences affecting our industry will have their fullest impact in the long term, their existence is already being felt.

Foremost, the political climate as it effects our industry is beginning to change. This is crucial. As an industry we have been seriously hurt by public policy decisions which have stimulated the growth of less fuel efficient competitive systems. The political leaders must recognize that we are part of the solution to the energy problem.

In 1978 the 95th Congress enacted into law a bill which repealed the Excise Taxes that the industry was paying on buses, fuel and parts. Financially, this is significant; it represents a $17 million savings for our industry which has only a 4 percent operating margin. But beyond the financial impact.this is the first major legislative action that indicates an awareness of the economic needs of our industry and the critical problems which we face. Hopefully it marks the beginning of a legislative climate in which our industry will receive the equitable treatment it deserves.

As a result of the random shortages and increasing cost of gasoline, the public has developed an awareness of alternatives to the automobile. This has been



The rising cost of fuel and our growing dependence on imported oil will ultimately bring about an increased recognition and use of fuel efficient mass transportation systems.

translated into increased passenger volume in the various public transportation systems including the intercity bus.

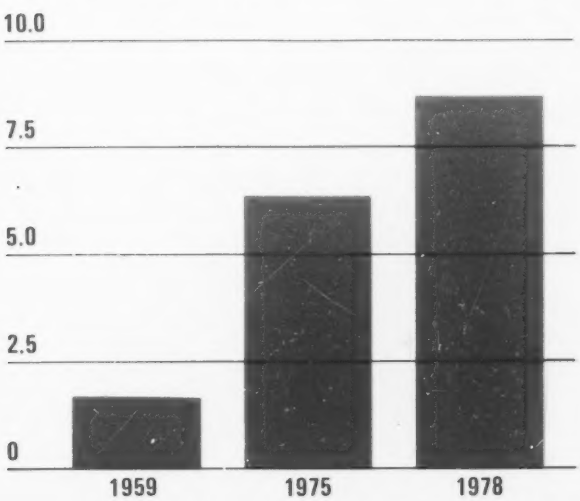
The bus industry actually showed a modest 1% increase in passenger volume in 1978. This increase was continuing in 1979 prior to the fuel shortage. With the fuel shortage the passenger volume on scheduled routes increased by more than 10% during heavy travel months.

The tour and charter business continues to improve. Passengers carried in this service rose nearly 10% in 1978 to 175 million. With the growing recognition of the importance of the intercity bus to the tourism industry, tour and charter business should continue its upward trend.

For over 70 years, throughout varying social and economic changes, our industry has continued to fill a major role in our nation's transportation systems. It continued to fill this role for the simple reason that the industry has always provided the least expensive, most fuel efficient method of intercity travel. As the nation enters an era of scarce and costly energy, the unique characteristics of the bus will re-enforce its position as a vital element in meeting our nation's transportation needs.

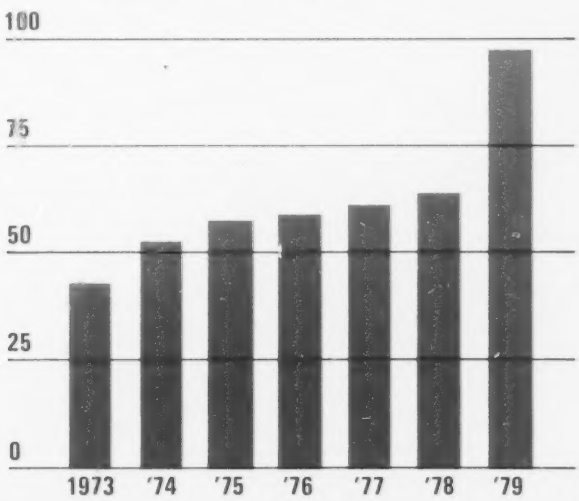
OIL IMPORTS ARE INCREASING

(Measured in millions of barrels per day)



GASOLINE PRICES ARE INCREASING

(Measured in cents per gallon)



The Fuel Efficient Intercity Bus

There are over 20,000 intercity buses operating in the United States. It is practically impossible to drive anywhere on the North American highway system and not encounter one or more of them. They are so commonplace, we hardly notice their existence.

Yet the ordinary intercity bus is actually a vital part of our national transportation system, and possesses characteristics making it truly unique among transportation vehicles.

FUEL EFFICIENCY The intercity bus is the most fuel-efficient form of intercity mass transportation.

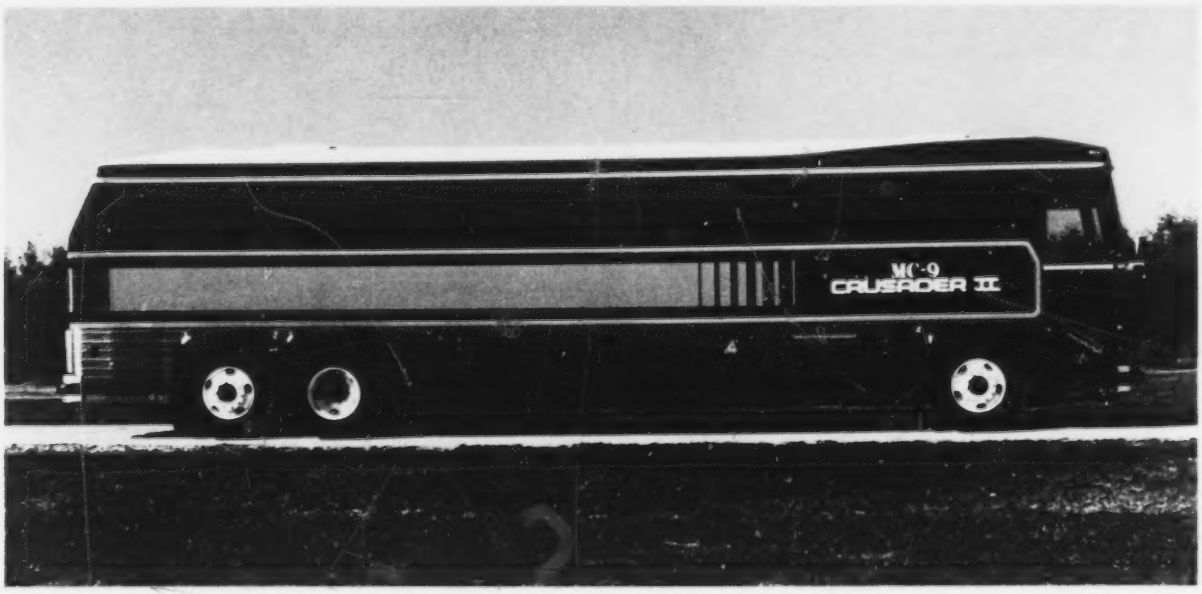
In scheduled service, operating at only 45% of capacity, the bus averages 113 passenger miles per gallon of diesel fuel. In tour and charter service (which have higher load factors), the bus delivers 205 passenger miles per gallon. Overall, during 1978, the bus industry averaged 139 passenger miles per gallon for all types of service. The comparable figure for Amtrak was 38 miles per gallon.

The overwhelming fuel efficiency and lower operating cost of the bus is a function of vehicle dead weight per person carried. The current downsizing of automobiles (to improve their fuel efficiency via reduced weight) is a common example of this relationship. A bus weighs only about 600 pounds per available seat. In contrast, Amtrak's short-haul trains weigh from 1700 to 4000 pounds dead weight per seat. Longer distance trains equipped with lounge cars, diners, etc., range from 6000 to 20,600 pounds per seat.

If all of Amtrak's volume in 1978 (4.2 billion passenger miles) had been handled by bus transportation, it would have resulted in a net saving of 73 million gallons of diesel fuel and diesel fuel equivalent of electric power used. Diversion of just 1 percent of automobile travel to intercity bus would result in an annual saving of 189 to 238 million gallons of gasoline depending on bus load factors.

ADDITIONAL COST SAVINGS Beyond the considerable fuel savings the intercity bus provides, it offers many other cost advantages. A 47-passenger bus can be manufactured and sold profitably by private enterprise for about $110,000; an 18-seat commuter airplane costs nearly $1,000,000. A railroad passenger car costs $500,000 and needs a locomotive to pull it.

An intercity bus needs only one driver. An airplane or train requires a crew. A bus needs less sophisticated maintenance and support personnel than a plane or train. Implementing a new bus system does not require massive, billion dollar construction projects; the road system is already there.



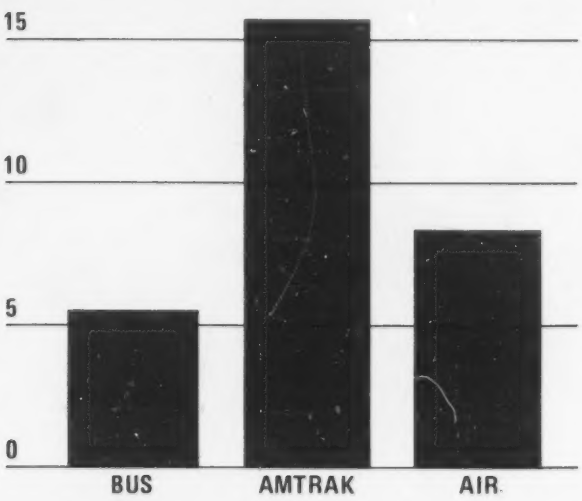
OTHER FEATURES The typical intercity bus is 8' wide and 40' long and weighs approximately 27,000 pounds. Depending on seating arrangements, the bus is capable of carrying up to 47 passengers plus it has additional space to carry large amounts of baggage and other cargo. Throughout the industry the bus averages approximately six miles per gallon of diesel fuel. Typically, the intercity bus has a useful life of over 20 years and may accumulate over 3 million miles in that period. The diesel engine and transmission utilized average nearly 500,000 miles between major overhauls. The brakelining lasts 200,000 miles in most operations.

These buses offer an exceptionally smooth, quiet ride. Seating comfort compares very favorably with that found in modern airplanes. The professionalism of the drivers and the engineering excellence of the vehicle both contribute to the safety record of the bus. During 1978, there were only two passenger fatalities in 16.3 billion passenger miles traveled on buses of the Class I carriers.

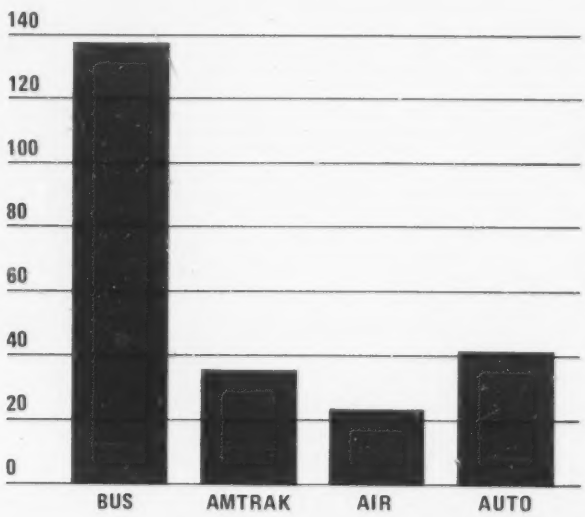
TURBINE ENGINES Buses are powered by diesel engines; however, Greyhound Lines, Inc., Detroit Diesel Division of General Motors and the U.S. Department of Energy are jointly developing a gas turbine-powered bus. Gas turbine engines are now being used experimentally in scheduled intercity service. They have many advantages including increased reliability and reduced emissions; most important they have the option of running on synthetic and non-petroleum based fuels.

the bus is the most fuel efficient, cost effective form of intercity transportation.

RELATIVE COSTS OF OPERATION PER PASSENGER MILE (Cents)



PASSENGER MILES PER GALLON OF FUEL



The Bus in Rural America

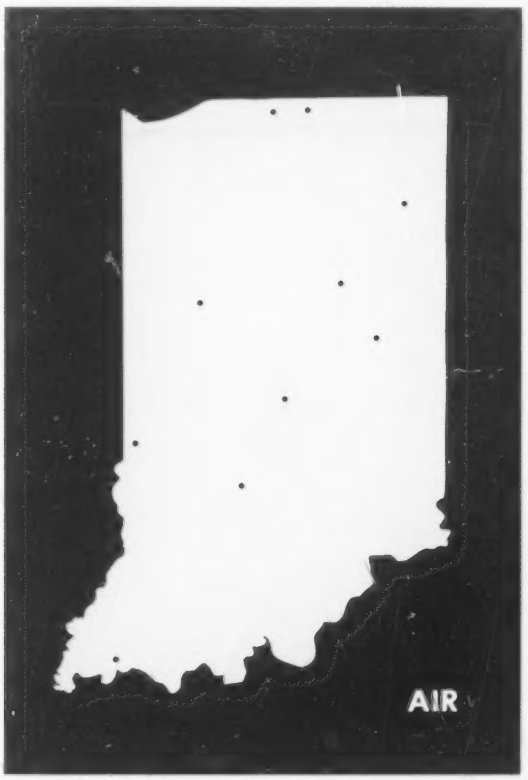
The intercity bus is the most pervasive mode of public transportation available to approximately 90 million people who live outside the larger metropolitan areas. The industry serves 14,000 communities which have no other form of transportation. This includes 96 percent of all communities with populations of 2,500 to 5,000 and essentially all communities with more than 5,000 in population. Thirty percent of all scheduled intercity bus trips begin or end in rural areas.

Besides passenger service, the industry also provides a vitally essential daily express and freight service to these communities and tens of thousands of farms throughout the country.

To illustrate the dominance of the bus industry and the extent to which it services rural America, a comparison of locations served by the major modes of transportation in the State of Indiana is shown below.

For many states, more rural in nature, the contrast among points served by the different modes is even more dramatic. In the event of a prolonged fuel shortage which limits the use of the private automobile, the bus would be the only realistic alternative for much of rural America.

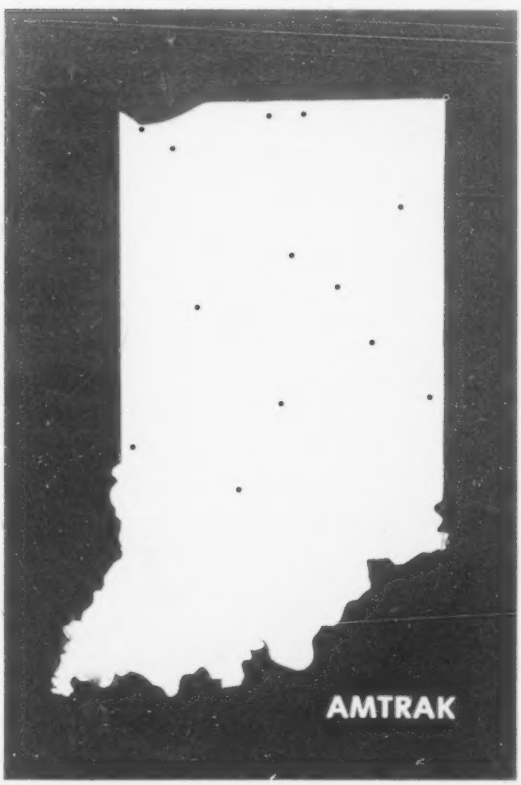
Although federal, state and local governments routinely spend millions of dollars subsidizing mass transportation systems in urban areas, the needs of rural communities have largely been ignored. The only organization which has significantly subsidized the transportation needs of rural communities has been the bus industry. To a great extent, rural bus routes are unprofitable. They have been subsidized with profits derived from higher density routes and tour and charter business. Government policies affecting the bus industry are primarily negative in nature and have reduced profitability on high density

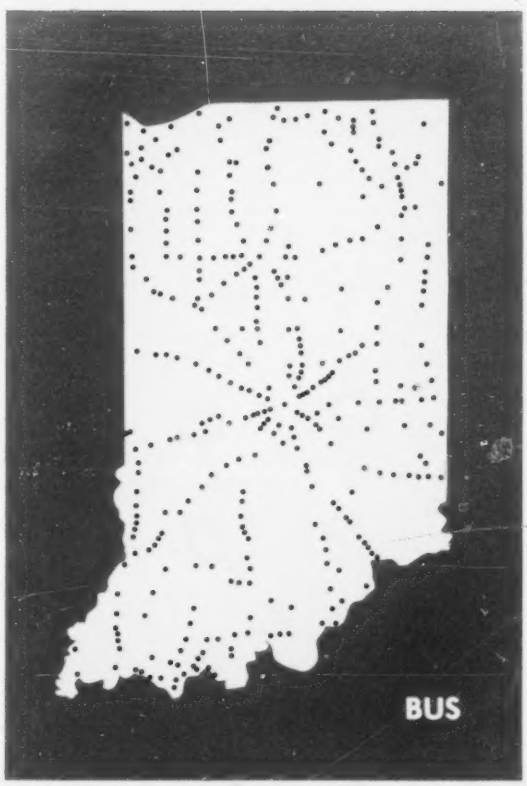


The contrast in the number of locations served by the major transportation modes in the State of Indiana illustrates the pervasiveness of the Intercity Bus Industry.

routes. This has seriously jeopardized the industry's ability to maintain rural service and is resulting in a substantially greater degree of isolation for rural areas. In the past ten years service has been eliminated at nearly 2,000 locations and the frequency of service has been reduced at many others. At present more than 1,000 locations are on routes which are operated at large deficits.

If this country is to reduce its dependence on imported oil and its vulnerability to disruption of these imports, it must develop effective and fuel-efficient alternatives to the private automobile. In rural America, this alternative is the intercity bus system. Government policy must be directed toward strengthening this system; not, as has been the case, toward weakening it.





Legislative Activities

Historically the legislative environment has not been favorable to the industry. While competitive modes of transportation such as Amtrak and the airlines have received significant aid through the legislative process, the intercity bus industry has been largely ignored.

This situation is changing. With the country's petroleum supplies now shrouded with uncertainty, a new element has been introduced into the legislative process as it affects transportation policies. This element is a growing awareness of the relative fuel efficiency of various transportation systems and of the need for a more fuel efficient public transportation system to supplement the automobile.

This awareness is resulting in an increasing recognition of our industry and is creating a legislative climate more receptive to the needs of private bus operators.

ENERGY

America's persistent energy problem was again one of the most pervasive issues in Congress. Confronted by the realities of gas lines, sharply increasing prices of fuel, and public furor, the Congress engaged in wide-ranging deliberations to fashion a response to the nation's energy vulnerability.

In September, the Administration unveiled its transportation energy initiatives, advocating that $16.5 billion derived from the windfall profits tax be devoted to the improvement of public transportation. Mention was made at that time that consideration was being given to incentives for the private intercity bus industry to expand service. This specific inclusion of private intercity bus service was the culmination of months of activity by Association and industry representatives to emphasize the fuel efficiency of the industry, the value of its pervasive network of service, and its essential role in an energy-scarce or energy-expensive future.

Additional 10% Investment Tax Credit

The principal new effort which the Association has made is to obtain an additional 10% investment tax credit for the purchase of buses with the ability to offset the credit against 100% of tax liability.

A 20% investment tax credit for the purchase of buses would be in keeping with the precedent established in last year's energy bill, where "energy-efficient" devices were allowed this amount in order to promote conservation. Such a credit for bus purchases by private operators would not only be energy-effective but cost-effective as well.

The additional 10% credit could also be considered as a deferral and would ultimately result in generating more taxes than are deferred since the profit derived from diverting automobile traffic to privately operated intercity buses would be taxable.

Energy Transportation Trust Fund

The Association is supporting the creation of an Energy Transportation Trust Fund to underwrite the continuing development of mass transportation. There is a clear national need to encourage the public to decrease any unnecessary private auto use, and thereby conserve fuel. To achieve this objective, the driving public must have good alternative mass transportation. In the event of a reduction in fuel supplies the existence of a viable mass transportation system is critical, if the nation's commerce, mobility and way of life is to be maintained.

Outlook

The Administration has endorsed the additional 10% investment tax credit for private bus operators at least for "incremental" purchases. There is support in Congress, however, to broaden this to include all bus purchases and that continues to be the industry's objective.

Both the additional 10% investment tax credit and the Energy Transportation Trust Fund appear to be dependent on the enactment of a windfall profits tax.

TERMINALS, RURAL SUBSIDY

Last year the industry overcame strong opposition to achieve the authorization of programs providing government assistance for terminal development and rural operating subsidy. In the "Surface Transportation Act of 1978," specific funding was earmarked for these projects under terminals (section 21) and rural subsidy (section 22). At the same time, private bus operators were made eligible for participation in general programs including intermodal terminals (section 3), and local rural subsidy (section 18).

However, in spite of the determination of the authorizing committee to provide specific funds for the Intercity Bus Industry, the Department of Transportation has continued its opposition to earmarking funds in sections 21 and 22. Alternatively, DOT testified that it believed the needs of the Intercity Bus Industry could be met in the general programs included in section 3 (concerned with discretionary capital grants) and section 18 (general rural assistance). To assist in meeting these needs additional funding was agreed to for section 3 and section 18.

A colloquy on the House floor was conducted to emphasize the fact that these funding levels had been increased to accommodate projects of the Intercity Bus Industry, with added emphasis on the eligibility of private bus operators. Similar funding and protective language is being pursued in the Senate.

From this point forward the outlook for future government assistance for terminal development and rural bus service is dependent upon the ability of the industry to persuade states and localities to sponsor such projects. The future of government assistance is also complicated by the uncertainties of the conditions that will be attached to federally funded programs to provide adequate access for handicapped people.

REPEAL OF THE EXCISE TAX

The repeal of the excise tax was an outstanding example of a successful industry wide effort.

Unlike mass transit vehicles in urban use, intercity bus companies were paying federal excise taxes on the purchase of new buses. In November, 1978 the tax was repealed by the 95th Congress retroactive to April 20, 1977. The excise tax on fuel, oil and parts was also repealed, providing relief for private operators of intercity scheduled, charter, local and school bus services. The net effect will be an annual $17.5 million cash saving to the industry.

IMPACT OF EXCISE TAX REPEAL

Industry		(Individual Company Per 1 Million Bus Miles)
$ 6.8 million	Fuel, Oil	$ 6,000
1.2 million	Tires, Tubes	1,000
7.2 million	Bus Purchase	7,000
2.3 million	Parts, Accessories	2,000
$17.5 million		$16,000

Legislative Activities

INDEPENDENT CONTRACTORS

The intercity bus industry conducts much of its service and sales through commission agents. The Treasury Department classifies such agents as "independent contractors." Therefore, Internal Revenue Service tax treatment of independent contractors as a whole is of vital importance to the bus industry.

The IRS has been trying to establish the principle that companies dealing through outside agents are required to pay their social security and employment taxes and was preparing to amend its regulations to clarify that point. In 1978, Congress passed legislation which prohibited the IRS from issuing any such regulation concerning independent contractors before January, 1980. This same legislation also terminated non-fraudulent potential tax liabilities for past periods.

Legislation has been introduced in the Congress in both the House and Senate to establish a clear definition of an "independent contractor." The Treasury Department is seeking to obtain legislation which sets stringent standards for the tax treatment of outside agents. This includes criteria which would make it very difficult to establish outside commission agents as independent contractors, would require companies to provide extensive information on services performed by such individuals, and would require that companies withhold at least 10 percent of payments made to independent contractors.

The Association has submitted testimony and is continuing to work to assure that any legislative definition of "independent contractors" does not change the relationship of the intercity bus industry with its commission agents.

AMTRAK

On January 3, 1979, the Secretary of Transportation submitted a plan to the Congress to reduce Amtrak routes by 43 percent. However, because of the energy crunch, Congress restored many of the proposed cuts in service and Amtrak's operation was reduced only 20%.

Despite this cutback, the subsidy continues and the heavily burdened American taxpayer will be forced to pay out even larger sums to maintain a system that is both costly and energy inefficient. A recently published GAO report has indicated that Amtrak has cost the intercity bus industry almost 43 million passengers over the last 7½ years. The American Bus Association has estimated that this diversion has cost the industry over $500 million. The ABA will continue to press for Amtrak to recover a greater percentage of its expenses through the fare box.

There was a determined effort by a number of House members to force Amtrak to establish fares that would recover a greater portion of operating expenses. An amendment, proposed by Congressman Tom Hagedorn (R-Minn.), required Amtrak to produce revenues equal to 40 percent of expenses in 1980; 45 percent in 1981 and 50 percent in 1982. Although the House rejected this particular amendment, a similar provision was adopted which directed Amtrak to recover at least 44 percent of operating expenses by 1982 and 50 percent by 1985.

DEPRECIATION — FACILITIES AND EQUIPMENT

There is growing national concern about the need to provide for greater capital formation. American business needs to be able to invest in more modern facilities and equipment, in order to enhance productivity.

To meet this need, comprehensive legislation was introduced in this session of Congress in the form of H.R. 4646, the Jones-Conable bill. Under this legislation, buildings would be depreciated over a ten-year period, equipment in five-years, and trucks and light duty vehicles over a 3-year period. Similar legislation has been introduced in the Senate.

Hearings on the Jones-Conable bill have been promised for this fall in the House, but the Congress is not expected to pass a bill this session. This legislation, however, is expected to be the focal point of action in the next session, and the Association is supporting its enactment.

TOURISM

Travel and tour activity is an important part of our nation's economy and way of life. This industry contributes over $120 billion annually to the economy, supports about 5 million jobs, and is one of the top three industries in almost all 50 states. The private bus industry in both regular scheduled service and tour and charter operations, is a vital aspect of this activity. Accordingly, the Association has been very active in dealing with legislation affecting the travel and tour business.

The ABA has worked for the establishment of a national tourism policy so the importance of this activity will be recognized and be given proper priority. The Senate has passed S. 1097, which establishes a National Tourism Policy Council, an independent cabinet level group to monitor and coordinate the tourism-related activities of the federal government and also establishes a quasi public corporation to assist in the formulation and implementation of a national tourism policy.

Although S. 1097 passed the Senate easily, the ultimate outcome of this legislation is not certain at this time. The Administration has opposed it, in part, because it "runs counter to the President's policy of curbing the growth in the number of independent federal agencies." This posture has raised serious doubts about the priority that the Administration is willing to give to the development of tourism.

Travel and Tourism Advisory Council As an indication of its sense of priorities for travel and tourism, the Senate Committee on Commerce, Science and Transportation has created a Travel and Tourism Advisory Council. This group is designed to consider and make policy, legislative, and other recommendations to the Committee in order to optimize the contribution of travel and tourism to the economy and to promote its development.

This Council is composed of 15 members who serve for a term of two years. Arthur Lewis, President of American Bus Association, is presently a member of the Council.

The Regulatory Environment

AVAILABILITY OF FUEL SUPPLIES — DEPARTMENT OF ENERGY

During the year some member companies experienced difficulty obtaining adequate fuel supplies. In response to requests from the Association, the Department of Energy, under Special Rule 9, granted intercity bus operators priority status in the allocation of middle distillate fuel.

Unlike the regulation issued during the 1974 embargo, Special Rule No. 9 requires suppliers to provide charter as well as scheduled bus operators with 100% of the diesel fuel needed for their services. This protection has been extended through January 1980 and consideration is being given to making it permanent.

The Association regards the problem of fuel availability and price with utmost concern. There is sentiment to hold down home heating oil costs and this could result in a move to tilt price increases for this product toward other middle distillates, including diesel fuel. The Association believes that significant overall fuel savings will be achieved by making public transportation as economical as possible and diverting people from the automobile. Unduly raising of the cost of fuel to bus operators would be counter-productive.

ECONOMIC REGULATION — INTERSTATE COMMERCE COMMISSION

During the past year the Interstate Commerce Commission intensified its efforts to eliminate entry controls for motor carriers of passengers other than those relating to an applicant's fitness. Although the Commission appeared willing to grant passenger carriers greater ratemaking freedom, economic regulation by the Commission promised to place more restrictions on operators.

The percentage of applications for operating authority granted in whole or in part rose during the past year to more than 96 percent. The Commission, in Ex Parte No. MC-121, *Policy Statement on Motor Carrier Regulation*, proposed a policy under which the adequacy of existing service would no longer be considered in application proceedings. This makes protests more difficult. In *Liberty Trucking Co. - General Commodities*, 131 M.C.C. 579 (1979), the Commission imposed on protestants an almost insurmountable burden of proof. In Ex Parte No. 55 (Sub-No. 26), *Protest Standards in Motor Carrier Application Proceedings*, the Commission adopted standards designed to limit eligibility to protest applications for operating authority.

In Ex Parte No. MC-126, *General Temporary Authority Regular Route Passenger Operations*, the Commission, on July 12, 1979, authorized until September 25, 1979, designated field personnel to approve applications for temporary authority to transport passengers in regular-route service by carriers meeting any one of eight conditions. ABA and numerous motor carriers of passengers opposed this action but it was upheld by the Fourth Circuit Court of Appeals.

In Ex Parte No. MC-135, *Master Certificates and Permits*, served September 27, 1979, the Commission announced that it will institute rulemaking proceedings to consider the issuance of master certificates under which twelve types of specialized motor carriers of property could operate merely upon a showing of fitness. It is uncertain when this decontrol technique may be proposed for motor carriers of passengers or what part of the bus industry's operations would be affected.

Ratemaking

Recognizing the impact of double-digit inflation, the Commission permitted general increases in interstate passenger fares and express rates of 5.75 percent, 4 percent, and 8 percent to become effective at various times in 1979 without suspension or investigation. In addition, the Commission authorized in Ex Parte No. 311, the imposition of surcharges to enable carriers to recoup the expense of dramatically higher fuel prices.

The Commission's inclination to grant a larger measure of ratemaking freedom was also manifested in Ex Parte No. MC-125, *Fare Flexibility for the Bus Industry*. In response to the Commission's Notice of Proposed Rulemaking, ABA and the National Bus Traffic Association recommended the establishment of a zone of reasonableness within which regular interstate passenger fares and express rates could be increased by the percentage increase in the Consumer Price Index without suspension by the Commission. In addition, ABA and NBTA urged that non-predatory downward adjustments be permitted without suspension. The extent to which Commission action authorizing fare flexibility will benefit the bus industry will depend on whether the Commission, contrary to its announced intention, will permit upward and downward adjustments under the fare flexibility rules to be effectuated by rate bureau action.

In almost every other respect, regulations adopted or proposed were more restrictive. In Ex Parte No. 297 (Sub-No. 3 and Sub-No. 4), the Commission has proposed restrictions on collective ratemaking which would make it difficult for carriers to publish joint fares and which would impair the ability of the industry to obtain general increases in fares and charges.

The Commission's refusal to permit carriers to place a $500.00 value limitation on the acceptance of express shipments was upheld in a 2-1 decision of the Court of Appeals for the District of Columbia Circuit. In Ex Parte No. MC-95 (Sub-No. 2), the Commission ordered carriers to raise the ceiling on baggage excess value declarations from $250.00 to $2,000.00. A petition for administrative review will be filed by NBTA.

Outlook

Clearly, the Interstate Commerce Commission has continued in the direction of liberalizing entry, changing the regulatory structure through administrative decisions.

Legislatively, there have been hearings on railroad and trucking deregulation and there could be definitive action on these fronts. There have been no hearings on deregulation of the bus industry and no legislative proposal has yet been submitted to bring that about. However, the Department of Transportation, in its initial draft of a report to Congress on the intercity bus industry and its need for rural operating subsidy, emphasized the view that "regulatory reform" of the industry heads the list of possible federal recommendation that they feel need to be pursued.

OPERATIONAL ISSUES — DEPARTMENT OF TRANSPORATION

During the year, various federal regulations were proposed that would directly impact the operations of the intercity bus industry. ABA responded to these proposals with the aid of its two operations committees: Safety Committee and Vehicle Design and Maintenance Committee. Operations issues which involve safety, environment, and fuel efficiency are progressing through the administrative agencies and ABA is continuing to deal with these matters.

Hours of Service

In Docket MC-70-1, the DOT's Bureau of Motor Carrier Safety proposed changes in the Hours of Service regulations which, if adopted, would have a significant financial impact on the intercity bus industry. Adoption of the regulations in the form proposed would increase driver costs by 30 to 40 percent. ABA's statement in opposition, together with more than 100 verified statements of its members, was filed on January 20, 1979. A revised rulemaking proposal will be published in early 1980.

Handicapped Transportation

DOT regulations on *Nondiscrimination on the Basis of Handicap*, published in the *Federal Register*, if applied to intercity bus operations, could preclude Federal financial assistance for the improvement of intercity bus service in rural and small urban areas.

Brake Safety Standards

After years of testimony, comments and hearings, the National Highway Traffic Safety Administration is proposing a new *Air Brake Safety Standard* 130 to replace FMVSS 121. This controversial issue is receiving revived attention recently because of a Supreme Court decision which repealed the no-lockup requirement for trucks. The intercity bus industry feels it too should have this exempt status. ABA has requested a repeal of the no-lockup requirement of the safety standard, until such time as a *separate* standard can be developed for buses. In doing so, the unique design characteristics of the bus industry would no longer be confused or overshadowed by truck technology.

Tourism and Marketing Programs

The Association has developed new and imaginative programs designed to facilitate the marketing efforts of its members to increase bus ridership. These programs have not only focused on the tour and charter market, but have also emphasized the future potential of regular route scheduled service as an energy efficient alternative to the private automobile for tourism purposes.

The first step in the development of this market was the creation of the Travel Industry membership category to bring about a greater degree of cooperation between the bus operators and the tourism industry.

The development of this category was a very logical step under any condition. With the recent problems in gasoline supplies and the particular vulnerability of the tourism industry to gasoline shortages, this improved working relationship makes even more economic sense. Of the alternative forms of transportation, the intercity bus provides the greatest degree of flexibility in reaching travel destinations traditionally reached by automobile.

Specific programs developed by the Association are the American Bus Marketplace, Destinations magazine, and the Travel Resource Manual.

The American Bus Marketplace The American Bus Marketplace is an annual business meeting between bus operators involved in tour and charter development and travel industry suppliers such as hotel/motel chains, theme parks and attractions, and tourism promotion agencies.

The Marketplace provides an opportunity for these two allied groups to establish mutually beneficial working relationships. The bus operator gains knowledge which allows him to conduct tours more profitably and to offer a greater variety of tour destinations. The travel industry supplier can increase his business through the bus operator who effectively becomes an extension of his marketing program.

With the increased cost and sometimes uncertain availability of fuel for the automobile traveler, the intercity bus will assume an even more important role in the tourism industry. The Marketplace will be a primary vehicle in the expansion of that role.

The first Marketplace was held in Orlando, Florida during February 1979. It was attended by 350 bus operators representing 153 bus companies and more than 400 travel industry suppliers.

Reaction to this meeting was very favorable and reports from numerous participants indicate tour and charter business has increased as a direct result of contacts made at the Marketplace.

The 1980 Marketplace is scheduled for February 13-17 at the Opryland Hotel, Nashville, Tennessee. It will be approximately thirty percent larger than the Orlando meeting with 225 booths available for Travel Industry Members. The fact that all available booths were fully subscribed more than four months prior to the first meeting is a strong indication of the industry support for this program.

THE AMERICAN BUS marketplace

Destinations - a new magazine Destinations is a new monthly magazine designed to provide ongoing communications between the tourism industry and bus operators. In effect, it continues the dialogue which has been established at the Marketplace. Each month the magazine contains detailed information about specific tour destinations as well as feature stories highlighting the methods by which various bus companies have addressed the problem of profitably expanding their tours and charters, as well as regular line operations. With its paid advertising it provides individual tour destinations as well as ABA associate members the opportunity to present themselves directly to the bus operating company.

ABA Travel Resource Manual The ABA Travel Resource Manual was produced for the first time in 1979. It provides the bus operator with a reference guide which enables him to plan tour and charter business. The manual contains information about tour destinations (name, location, rates, operating hours, etc.). Based on the enthusiastic reception accorded the manual, a second, expanded edition is being prepared. It will be available for 1980 tour planning. It has been expanded to include listings of all ABA operator members, as well as ABA associate members.

The Development of Public Awareness

The ability of the industry to regain passengers from the automobile and from other modes of transportation will be determined by many factors including policies set by the government and the price and availability of fuel.

Another determinant will be the manner in which our industry is perceived by the public at large. The news media is one of the factors which will influence this perception. Fortunately, the news media seems to be coming more and more to the conclusion that we are what we say we are . . . a fuel efficient and very necessary component of our national transportation system.

Through the words of our own spokesmen, of national political leaders, and the editorials and feature articles of the press itself, our story is being told to the American public.

". . . buses are the most energy efficient form of transportation known to man (with the exception of sailing ships and glider planes). A typical intercity bus will get about 140 passenger miles to a gallon . . . what's more, the bus is also one of the safest forms of transportation . . ."
The Lowell (Mass.) Sun,
May 27, 1979

"Less than one third of 1 percent of intercity travelers use Amtrak trains," Long said (Sen. Russell Long, D. LA), "and two-thirds of fare costs are subsidized by taxpayers."
The Balitmore Sun,
August 2, 1979

". . . for Americans concerned about high travel costs abroad and gasoline shortages at home, this may be the summer to consider vacationing by bus . . . vacations by public vehicles have expanded so much and added so many frills in recent years that they deserve to be regarded more pleasantly than commuting to and from work in jam-packed spartan city transportation . . ."
The New York Times,
May 20, 1979

" . . . the intercity bus, which the American Bus Association says can yield up to 300 passenger miles per gallon of fuel under optimum conditions, deserves a try at a time when everyone is being exhorted to save energy . . ."
The Washington Post,
June 24, 1979

". . . The increasing isolation of small-town America's poor and aged was largely ignored until recent years, when organizations ranging from Rural America to the American Bus Association began arguing that federal dollars are needed to preserve public transportation in rural areas . . ."
The Pittsburgh Press,
August 5, 1979

". . . buses have considerable potential and ought to get more attention than they have to date in planning the nation's future transportation mix . . ."
The Christian Science Monitor,
August 6, 1979

". . . and where it is important to maintain public transportation to poorly-served communities, buses, not trains, are more likely to provide service without bleeding the taxpayer."
The New York Times,
July 31, 1979

". . . at the average seat occupancy of the bus lines before the gas crisis — about 55 percent — buses were the most fuel-efficient mode of travel. The subsequent increases in seats occupied has only improved on this energy-efficient performance . . ."
The Arlington Heights (Ill.) Daily Herald,
July 4, 1979

". . . though the industry is still somewhat cautious in its optimism, the bus industry — if not booming — is certainly on the upswing. The reason for the increase in passengers is the same as the cause of the 10-year decline: the automobile . . ."
The Austin (Tex.) American Statesman,
June 24, 1979

". . . now that the regulation-induced gasoline shortage has hobbled the passenger car, some travelers are rediscovering the lowly, neglected intercity bus . . ."
The Wall Street Journal,
May 18, 1979

". . . Bus fares are the cheapest travel available for those without cars. The bus lines make small net profits from their low fares — and provide comparatively comfortable, reliable service . . ."
The Christian Science Monitor
July 2, 1979

"Even with the disappearance of the lines at gas stations, which in the late spring and early summer were credited with creating the latest revival of interest in bus travel, ridership has remained far above levels of a year ago."
The New York Times,
August 26, 1979

Industry In Perspective

The intercity bus industry consists of 1,100 companies, including about 750 certificated by the Interstate Commerce Commission. These companies operate 20,200 buses over 278,000 miles of scheduled routes.

This industry is the largest, most pervasive form of public intercity transportation in America. It provides service to 15,000 communities and during 1978 carried 335 million passengers, more than Amtrak and the airlines combined.

Of the 15,000 communities served by buses, 14,000 have no other form of transportation. Amtrak, for example provides service to 543 locations, the airlines reach only 700.

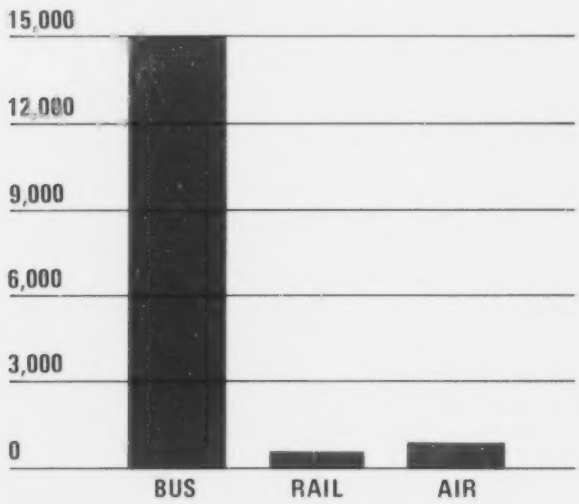
During 1978, the industry had revenues of $1.4 billion, directly employed 44,000 people, had a net profit of $55 million before income taxes and paid about $100 million in operating taxes to the federal and state governments.

HISTORICAL TRENDS Although the bus industry is an essential component of this country's public transportation network, it is not a healthy industry. Passenger volume on scheduled routes has been declining and operating margins have shrunk to a level which threatens the viability of the industry.

Many complex factors have contributed to this situation; however, the principal causes are the proliferation of the automobile, the predatory pricing policies of Amtrak and the population shift from rural areas.

Over the years the declining passenger volume in scheduled service has been partly offset by a long term increase in the volume of tour and charter business. Package express has also continued to generate profitable revenue. However, these two areas have not totally compensated for the losses in scheduled services and since 1971 the industry's operating margin has declined from 10.6% to 4.0%.

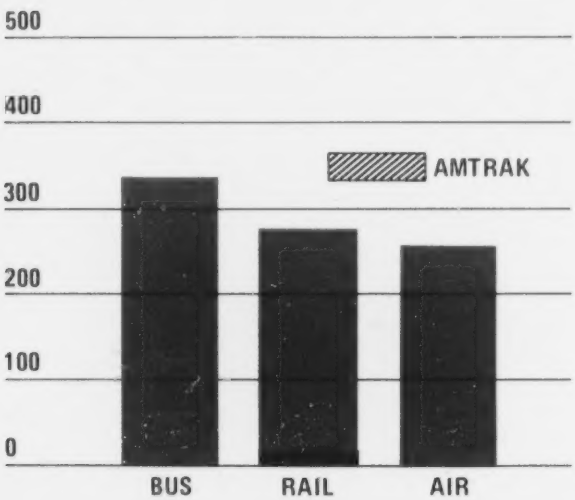
COMPARISON OF NUMBER OF COMMUNITIES SERVED



The Intercity Bus carries more passengers and services more communities than any other mode of transportation.

COMPARISON OF NUMBER OF PASSENGERS CARRIED

(Measured in millions)



Industry In Perspective

SUBSIDIZED COMPETITION Amtrak and local service airlines, the two modes of public transportation competing with the intercity bus industry, receive massive federal subsidies.

Government subsidies enable Amtrak, which is only one-third as fuel-efficient as buses, to be aggressive in its pricing strategies and advertising.

The impact of Amtrak cannot be overestimated. Utilizing taxpayer funds to subsidize its losses, Amtrak prices its services far below cost (Amtrak fares bring in only 35 cents for every dollar Amtrak spends) to be price competitive with the bus industry and drain passengers from the bus.

This erosion, documented by a Government Accounting office study, has taken place in the high-density corridors traditionally most profitable for bus operators. Since its inception, it is estimated Amtrak has diverted $500,000,000 from the bus industry.

Local service airlines are only one-sixth as fuel-efficient as intercity buses. Yet, local service airlines receive millions in direct subsidies each year, while providing service to a very limited number of locations.

THE PASSENGER In scheduled route service, intercity bus transportation caters primarily to the personal travel market. Over 90% of bus passengers are traveling on personal or family trips, the only form of transportation that exceeds the 84 percent figure of the automobile.

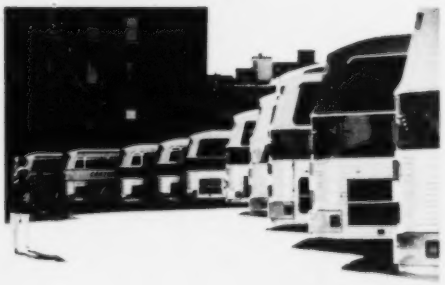
Typically, bus passengers have modest incomes. Nearly 40 percent have a family income of less than $10,000, a proportion substantially greater than for airline passengers (14%), those going by rail (22%), or even those traveling by automobile (19%).

Characteristically, bus passengers are the older and younger members of our society. Twenty-seven percent are over 54 and 34% are under 18. Since the bus is the only form of intercity transportation for rural America, over 30% of bus travelers live in small communities or rural areas.

SOURCES OF REVENUE The industry provides regular scheduled passenger service, package express (which is carried on scheduled route services), and tour and charter operations. For the industry as a whole, scheduled service accounts for 50% of revenues, charter 30% and package express nearly 15%. Other revenue is derived from terminal operations and local transit and school bus service.

SOURCES OF REVENUES

Trailways



Trailways
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Industry In Perspective

PACKAGE EXPRESS

Package express revenues of $172.2 million in 1978 for the Class I carriers were up a healthy 11.7 percent from the $154.1 million recorded in 1977.

Revenues from package express allows some carriers to maintain regularly scheduled service to communities whose passenger volume alone is insufficient to support the service.

Package express is successful because it reaches 15,000 communities (many of which have no other regularly scheduled intercity delivery service), is very cost competitive, and in many situations with the high frequency of bus departures and 24-hour terminal operation can be the fastest service available.

Compared to competitive services, package express has very liberal limitations with regard to weight, size and number of boxes in a given shipment.

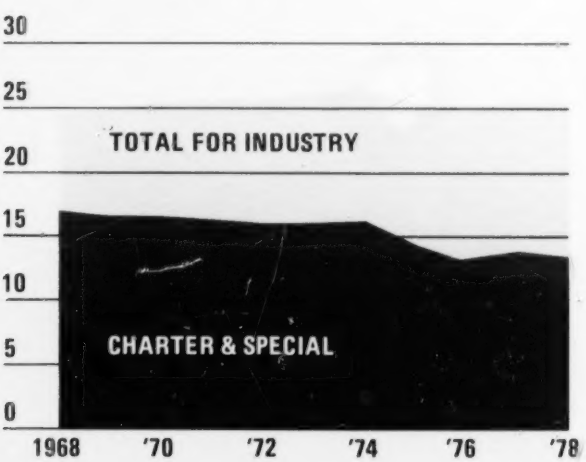
Operating and Financial Results

During 1978, passengers carried increased 1 percent. Passenger miles decreased 1.2 percent. Regular-route traffic declined slightly while tours and charters increased about 8 percent in revenue. Passenger miles totaled an estimated 25.4 billion for the year; revenue passengers numbered some 335 million.

ECONOMIC HIGHLIGHTS FOR 1978

- OPERATING REVENUES for the industry were approximately $1.4 billion, an increase of 6.6 percent over 1977.
- OPERATING EXPENSES again outpaced the revenue increase with a rise of 6.9 percent — totaling $1.3 billion in 1978.
- NET OPERATING REVENUES for the industry were $55.1 million, down 0.7 percent from 1977. Over the decade since 1968, operating revenues have declined 38 percent from a level of $88.9 million.
- OPERATING MARGIN declined still further in 1978 to 4.0 percent of revenue as compared to 4.3 percent in 1977 and 11.1 percent in 1968. The larger, Class I, carriers fared less satisfactorily in this respect than did the smaller companies — a reflection, at least in part, of the greater relative proportions of operations of the larger companies in regular-route passenger services (about 65 percent of revenue) while the smaller carriers tend to concentrate more heavily in charter and special services (some 70 percent of revenue).

PASSENGER MILES (Billions)
Estimated totals of intercity bus travel



COMPOSITION AND SCOPE OF THE INDUSTRY

In 1978, the number of bus companies in interstate and intrastate service increased 5 percent to 1,100. The intercity bus industry operated 20,200 buses.

The industry employs directly approximately 44,000 persons, principally as drivers, maintenance and service personnel, and ticket agents and others in company-operated stations and terminals. In addition, it utilizes the services of innumerable commission agents who sell bus tickets and provide bus-station services in a great many smaller communities throughout the country. Many such commission agents provide their services to bus passengers as a function additional to local businesses such as drug stores, restaurants, and filling stations.

Scheduled intercity service is provided to more than 15,000 communities on 278,000 miles of route. Total miles of route have shown modest increases during recent years as limited-stop service over express highways has been added to continued service over parallel local routes serving intermediate communities. At the same time, continuing declines have marked trends for most years of the 1968-1978 decade for both passenger miles of regular-route travel (down nearly 15% for Class I carriers between 1968 and 1978) and numbers of passengers carried (down more than 27 percent). Trends for 1978 reflected continuation of the pattern. Passenger miles were down 5.9 percent in scheduled service of the Class I carriers; passengers carried were down 3.1 percent. The principal exceptions to the long-term declines occurred in 1974, when volume increased temporarily due to automobile fuel shortages, and in 1977, when volume increased for several months in strong initial response to greatly reduced long-distance fares.

Operating and Financial Results

FUEL SAVINGS — ACCOMPLISHED AND POTENTIAL

Intercity buses currently obtain an average of 6 bus miles per gallon of fuel. The average passenger load of just under 24 persons in 1978 produced 139 passenger miles per gallon. The figures represent overall experience in all actual operations, including starting and stopping for traffic and for station stops in scheduled service and positioning for charter and tour groups as well as cruising on open highways. Regular-route intercity services averaged 113 passenger miles per gallon; charters and tours averaged 205.

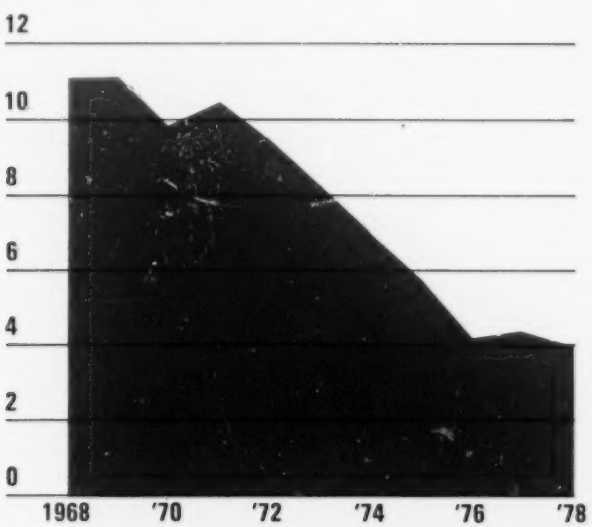
On the same basis, Amtrak achieved only 38 passenger miles per gallon of fuel in 1978, and automobiles about 41 — in each instance well under a third the average for buses. For the airlines, the disparity was even greater — at about 22 passenger miles per gallon, airplanes achieve less than one-sixth the fuel efficiency of buses.

Three examples indicate the bus industry's potential for saving fuel for the nation:

1) All of Amtrak's volume in 1978 (4.2 billion passenger miles) could be handled by bus transportation with a net saving of 73 million gallons of diesel fuel and diesel fuel equivalent of electric power used. Even if all of Amtrak's use of electric power is ignored, a saving of 52 million gallons would be achieved.
2) One 47-passenger, standard-model intercity bus can provide, at today's operating efficiencies and average load factors, 2.5 million passenger miles of travel at a saving of 41,470 gallons of fuel from the amount of fuel required for the same volume of travel by automobile. If the average passenger load factor in scheduled intercity service is increased to 65 percent from the current 45 percent and bus operating distribution continues at approximately 80 percent regular-route to 20 percent charter and tour, 3.2 million passenger miles can be diverted from automobiles at a savings of 59,770 gallons of gasoline. One hundred buses operated similarly would save 6 million gallons; for 1,000 buses, the potential saving is 59.8 million gallons.
3) Diversion of just 1 percent of automobile travel to intercity buses (13 billion passenger miles annually) would result in a minimum net saving of 189 million gallons of gasoline. Such minimum saving would result even if there were no improvement in the present load factor for regular-route intercity bus operations (45 percent). If the load factor in such service increased to 65 percent and tour charter services continued at the presently estimated 81 percent of capacity, the saving would be 238 million gallons.

OPERATING MARGIN NARROWS FURTHER IN 1978

(Percent of revenues)

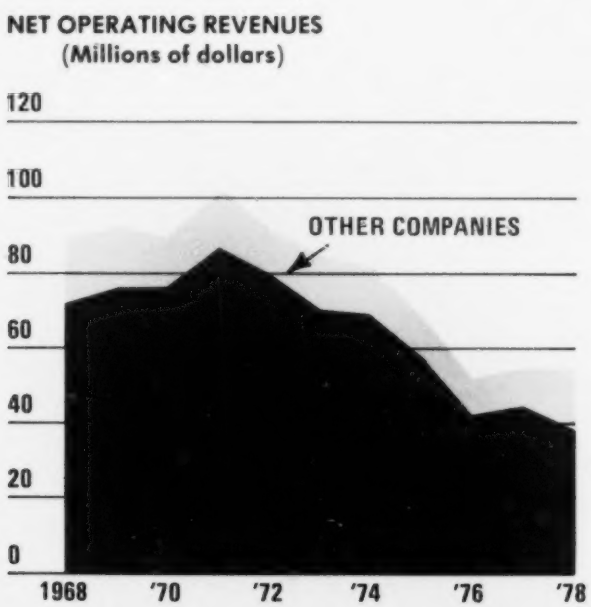


CLASS I CARRIERS

The Interstate Commerce Commission requires only Class I carriers to file regular reports of detailed statistical and financial information. Therefore, comprehensive analysis of the industry is available only for this class of carrier. Beginning in January 1977, only carriers with gross revenues of $3 million or more were considered Class I. For 1969 through 1976, the criterion for inclusion in Class I was $1 million; for prior years it was $200,000.

As a result, the number of carriers included in Class I dropped sharply over time despite the fact that inflation caused some upward movement into the group. In 1968, there were 173 Class I carriers. With the 1969 change in definition, the number dropped to 75. By 1976, this number had increased to 81. With the 1977 redefinition, it dropped again to 46.

The principal difference, other than amount of revenue, distinguishing Class I carriers from Class II and III carriers is the fact that Class I carriers typically operate larger proportions of their services in transportation of regular-route passengers and package express than do the smaller carriers. Intercity passenger traffic of Class I carriers in 1978 accounted for nearly 65 percent of their gross revenues; package express (carried on regular bus schedules) another 16-1/2 percent. In contrast, the smaller, Class II and III, companies in interstate service and those in intrastate service typically receive an estimated 71 percent of their revenues from tour and charter service and roughly 20 percent from regular-route intercity fares and package express.



Operating and Financial Results – Class I Carriers

REVENUE AND INCOME TRENDS

Operating revenues of Class I carriers totaled $1.04 billion in 1978, 5.4 percent more than in 1977 and nearly 72 percent more than in 1968, for carriers continuing in Class I over the decade. As noted below, expenses rose more rapidly — 6.3 percent for the year and more than 88 percent over the decade. As a result, net operating profits reported by the same companies declined to less than $39 million in 1978 — 13.6% less than the $45 million for 1977, nearly 46 percent under the corresponding average in 1968 and 56 percent under the peak in profitability achieved in 1971. Net income before income taxes totaled $50.5 million in 1978 — including some $11.6 million in nonoperating income, but adjusted to exclude major duplication in income of affiliated carrier groups. After income taxes of $16.0 million, net income after consolidation to avoid duplication was $34.5 million, roughly 12 percent less than in 1977.

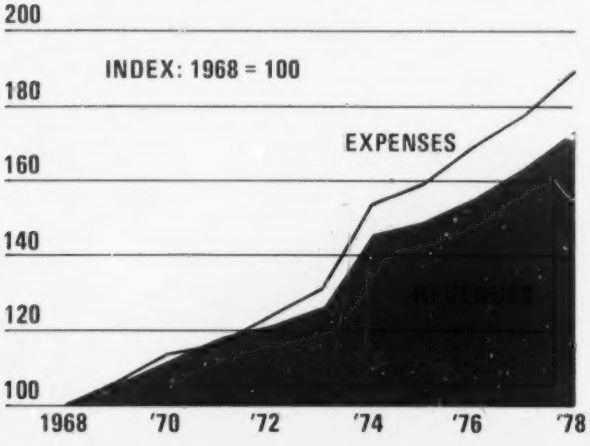
In 1978, primarily as a result of higher fares, passenger fare receipts in regular-route intercity service rose 3.3 percent to $671.1 million. With regular-route passenger miles down 5.9 percent, revenue per passenger mile (yield) averaged 5.67 cents, up 9.5 percent from the average of 5.18 cents in 1977 and 77.7 percent over the decade-earlier average (about 3.2 cents in 1968). During this same decade, the cost-of-living as measured by the Consumer Price Index of the U.S. Bureau of Labor Statistics rose 88 percent.

In charter and special service (including tour operations) receipts rose 8.8 percent between 1977 and 1978, to $156.4 million. This increase for tour and charter services was proportionately more than twice the increase in regular-route ticket revenue.

The long-term significance of charter and tour services is emphasized by the increase of more than 176 percent in revenues therefrom over the 1968-1978 decade — among carriers in Class I over the entire period. The other significant area of growth in intercity bus operations in recent years has been transportation of package express, which generated $172.2 million in 1978, up 11.7 percent over 1977 and 123 percent over the total for 1968.

CLASS I CARRIERS

Expenses continue to increase faster than revenues



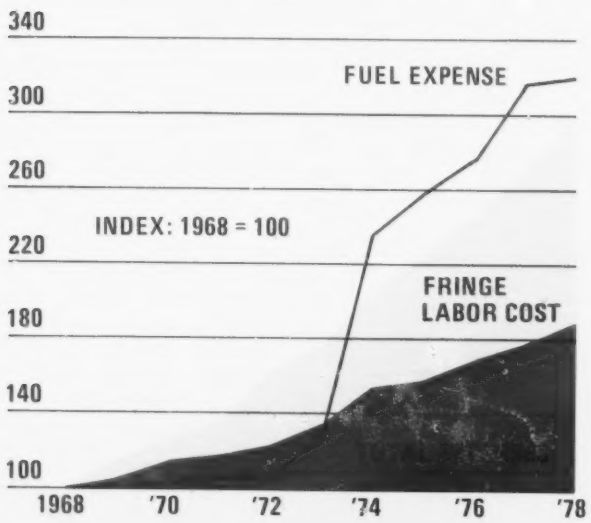
EXPENSE TRENDS

The broad-based pattern of rising expenses continued in 1978 with increases in all expense categories. The sharpest increase occurred in depreciation and amortization, which rose 27.6 percent due in large part to steadily rising costs for buses and terminals, etc. Also there was a reduction for such expense in 1977 resulting from depreciation adjustments required under applicable accounting regulations for one-time sale of capital property. Insurance and safety showed the next largest increase (13.6 percent) reflecting the continuing sharp increases in costs for insurance coverage. Between 1968 and 1978, insurance and safety expense rose 148 percent.

Continuing rapid increases in fringe labor costs were reflected in an 11.2 percent increase in administrative and general expense, a large part of which goes for employee welfare. Included in such fringe labor costs in addition to employee welfare ($71.9 million in 1978), were employer shares of social security taxes ($32 million), workmen's compensation ($10.7 million), and employee expenses (an estimated $12.6 million), primarily for meals and lodging for drivers when away from home. Continuing pressures in costs for employee wages and fuel moderated somewhat in 1978 but surged again in 1979.

CLASS I CARRIERS

Fringe labor and fuel costs pace increasing expenses



Research and Statistical Data

The American Bus Association is the recognized source for information on the industry. Comprehensive data is available from no other source. The reporting requirements of and statistical information issued by the interstate Commerce Commission do not provide indepth statistics for Class II and III carriers.

In addition, such information is generally late and has many gaps. This makes it necessary for the Association to estimate trends for the industry for certain statistics with final data being issued several years late. Some data will always remain only estimates. Yet, quantification of data is necessary. While not precisely that which actually exists, the data is sufficiently accurate for planning and policy development.

Research provides the answers to a steady stream of questions from government agencies, private consulting and research firms, educational institutions, publications and members of the Association.

The research department conducts a variety of special analyses of factors affecting the industry with special emphasis accorded such matters as comparative fuel efficiency for the various passenger transportation modes, subsidies paid to competing modes, damage to the industry from subsidized competition, and the effect of state regulations. It has a major role in working with the staffs of government agencies in exploring the economic characteristics of the intercity bus industry.

TABLE 1
ENERGY EFFICIENCY AND INTENSITY
Domestic Intercity Modes

	1973	1974	1975	1976	1977	1978
Passenger Miles per Gallon of Motor Fuel						
Intercity Buses						
All service[1]	133	145	140	137	141	139
Regular-route intercity service	115	121	115	110	115	113
Charter and special service	201	208	208	208	205	205
AMTRAK	39[2]	46[2]	39[2]	44[2]	41[2]	38[2]
Automobiles	39	40	41	41	41	NA
Airlines (certificated)	15	17	18	19	20	22
British Thermal Units per Passenger Mile						
Intercity Buses						
All service	1,043	957	991	1,012	984	998
Regular-route intercity service	1,206	1,019	1,206	1,261	1,206	1,227
Charter and special service	690	667	667	667	677	677
AMTRAK	3,556	3,015	3,556	3,152	3,383	3,650
Automobiles	3,205	3,125	3,049	3,049	3,049	NA
Airlines (certificated)	9,000	7,941	7,500	7,105	6,750	6,136

NA - Information not available.

1 In terms of bus miles per gallon, the estimated averages are: 1973 - 6.0, 1974 - 6.2, 1975 - 6.2, 1976 - 6.1, 1977 - 6.0, and 1978 - 6.0

2 Including diesel-fuel equivalent of electric-power used; ignoring all consumption of electric power, passenger miles per gallon averaged 51 in 1977 and 47 in 1978.

Sources:

Estimated by American Bus Association on basis of carrier reports to Interstate Commerce Commission, unpublished carrier data, and intra-industry relationships.

AMTRAK – R-1 Reports to ICC except diesel equivalent for electric power, which is estimated from reported electric power usage on basis of 12.92 kilowatt hours per gallon.

Airlines – 1972-1974: CAB Report to the Congress as required in section 382(a)(2) of the Energy Policy and Conservation Act of 1975; 1975-1977: Air Carrier Traffic Statistics for passenger miles and unpublished CAB data for fuel consumption.

Automobile – Table VM-1 of Federal Highway Administration, Environmental Protection Agency figures, and estimated relationships. Average load is estimated at 2.5 passengers, an estimate based on data reported by the Federal Highway Administration in its **Nationwide Personal Transportation Study** (1972) for automobile trips of more than 20 miles. Average vehicle miles per gallon for intercity travel are estimated as follows: 1973 - 15.8, 1974 - 16.2, 1975 - 16.3, 1976 - 16.5, and 1977 - 16.6, based on overall fuel consumption figures (per vehicle mile) reported by the Federal Highway Administration on its Table VM-1, allocated to local and intercity travel according to the comparative patterns for fuel efficiency for new automobiles reported by the Environmental Protection Agency and by the Department of Energy.

TABLE 2
INTERCITY BUS INDUSTRY IN THE UNITED STATES
Including Operations of Class I, II, and III Carriers Reporting to the Interstate Commerce Commission and Intrastate Carriers

	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977[5]	1978[5]
Number of Operating Companies	1,050	1,050	1,000	1,000	1,000	1,000	950	950	1,000	1,050	1,100
Number of Buses	21,000	21,600	22,000	21,900	21,400	20,800	21,000	20,500	20,100	20,200	20,200
Miles of Highway Served[1]	264,000	266,000	267,000	267,000	270,000	270,000	271,000	274,000	276,000	276,000	278,000
Number of Employees[2]	47,300	48,100	49,500	50,200	49,100	48,400	49,400	46,700	46,000	44,000	43,600
Total Bus-Miles (millions)	1,190	1,195	1,209	1,202	1,182	1,178	1,195	1,126	1,118	1,102	1,082
Revenue Passengers (millions)	398	396	401	395	393	381	386	351	340	332	335
Revenue Passenger-Miles (millions)	24,500	24,900	25,300	25,500	25,600	26,400	27,700	25,400	25,100	25,700	25,400
Operating Revenues, all services ($ millions)	797.6	845.7	901.4	953.2	974.4	1,022.7	1,151.9	1,171.6	1,231.9	1,303.1	1,388.7
Operating Expenses ($ millions)	708.7	751.9	812.2	851.8	882.1	937.9	1,070.0	1,103.2	1,179.9	1,247.6	1,333.6
Net Operating Revenue, before income taxes ($ millions)	88.9	93.8	89.2	101.4	92.3	84.8	81.9	68.4	52.0	55.5	55.1
Operating ratio[3]	88.9	88.9	90.1	89.4	90.5	91.7	92.9	94.2	95.8	95.7	96.0
Taxes Assignable to Operations ($ millions)[4]	67.9	71.2	76.7	80.7	84.1	89.6	94.8	96.5	100.6	100.6	100.7

1 Includes duplication between carriers.
2 Operating companies only.
3 Operating expenses divided by operating revenues.
4 Excludes income taxes.
5 Preliminary.

Source: Compiled by ABA from Interstate Commerce Commission data (including published materials and reports filed by individual carriers), supplemented by estimates to cover unavailable segments and by the Motor Carrier Survey in the 1963 Census of Transportation.

TABLE 3
INTERCITY BUS INDUSTRY IN THE UNITED STATES
Class I Interstate Carriers

	1968	1968(A)[1]	1969	1970	1971	1972	1973	1974	1975	1976	1976(A)[2]	1977[3]	1978[3]
Number of Companies	173	75	70	71	71	74	75	81	85	81	46	46	46
Number of Buses Owned	12,300	9,980	10,063	10,158	9,900	9,711	9,300	9,885	10,030	10,000	8,580	8,360	8,060
Miles of Highway Served[4]	217,000	192,000	193,000	194,000	193,000	198,000	198,000	205,000	211,000	213,000	191,000	191,000	193,000
Number of Employees	37,487	33,520	33,628	34,383	34,731	34,147	33,829	35,621	35,140	33,740	31,030	29,700	29,000
Total Bus Miles (millions)	977.3	881.8	868.7	870.9	856.0	845.8	850.0	885.6	848.9	838.0	774.6	766.1	738.7
Revenue Passengers (millions)	229.7	186.2	177.8	174.0	166.8	164.0	154.8	168.7	152.2	145.9	127.7	125.1	123.0
Revenue Passenger Miles (millions)[5]	19,100	17,940	17,950	17,900	17,940	17,790	18,300	19,500	18,200	17,820	16,440	16,930	16,300
Operating Revenues, all services ($ millions)	694.6	640.3	677.0	721.7	758.4	775.3	814.6	932.6	954.7	997.0	932.4	982.7	1,035.7
Operating Expenses ($ millions)	613.3	562.8	593.9	639.0	664.4	689.6	738.0	858.7	893.2	952.1	890.5	937.7	996.8
Net Operating Revenue, before income taxes ($ millions)	81.3	77.5	83.1	82.7	94.0	85.7	76.6	73.9	61.5	44.9	41.9	45.0	38.9
Operating Ratio[6]	88.3	87.9	87.7	88.5	87.6	88.9	90.6	92.1	93.6	95.5	95.5	95.4	96.2
Taxes Assignable to Operations ($ millions)[7]	58.8	54.2	56.1	60.3	62.5	65.2	69.8	74.4	77.2	80.1	75.3	76.2	76.1
Net Value of Property Owned ($ millions)[8]	316.1	291.0	291.3	310.0	323.8	343.4	358.1	367.4	395.4	419.3	390.7	414.0	438.4

1 Representing only carriers classified as Class I under test effective January 1, 1969; figures from ABA tabulation.
2 Representing only carriers classified as Class I under test effective January 1, 1977; figures from ABA tabulation.
3 Preliminary.
4 Statement No. 750, No. A-750, or No. Q-750 of ICC or tabulation of carrier reports; including duplications.
5 Including passenger miles in regular-route intercity service and, as estimated, for charter and special service.
6 Operating expenses divided by operating revenues.
7 Excluding income taxes but including federal excise taxes on purchases of new buses and on parts and accessories.
8 "Net carrier operating property," representing depreciated value of buses, land, buildings and equipment required for bus operations.

TABLE 4
INCOME AND EXPENSES—CLASS I CARRIERS
(Millions of Dollars)

CONDENSED INCOME ACCOUNT

	1968	1968(A)[1]	1969	1970	1971	1972	1973	1974	1975	1976	1976(A)[2]	1977[3]	1978[3]
Operating revenues	694.6	640.3	677.0	721.7	758.4	775.3	814.6	932.6	954.7	997.0	932.4	982.7	1,035.7
Operating expenses	613.3	562.8	593.9	639.0	664.4	689.6	738.0	858.7	893.2	952.1	890.5	937.7	996.8
Net operating revenue	81.3	77.5	83.1	82.7	94.0	85.7	76.6	73.9	61.5	44.9	41.9	45.0	38.9
Net income before income taxes	97.4	94.2	95.8	88.0	103.0	93.1	87.1	93.1	83.0	60.6	56.4	61.8	59.4
Net income[4]	60.9	58.6	56.4	52.1	64.5	59.0	57.9	55.9	55.8	43.7	40.4	44.2	43.4
Operating ratio[5]	88.3	87.9	87.7	88.5	87.6	88.9	90.6	92.1	93.6	95.5	95.5	95.4	96.2

OPERATING REVENUES

	1968	1968(A)[1]	1969	1970	1971	1972	1973	1974	1975	1976	1976(A)[2]	1977[3]	1978[3]
Total	694.6	640.3	677.0	721.7	758.4	775.3	814.6	932.6	954.7	997.0	932.4	982.7	1,035.7
Passenger revenue													
Intercity regular route	488.9	463.7	483.2	510.9	540.1	540.3	562.4	647.9	641.9	646.2	619.0	649.9	671.1
Local regular route	15.0	14.4	13.1	13.3	12.6	11.7	13.8	14.0	11.7	12.0	11.2	11.1	11.8
Charter and Special service	89.5	66.6	75.4	79.9	85.5	95.2	104.2	127.2	146.6	162.8	135.1	143.8	156.4
Package express revenue	83.8	79.9	89.7	102.2	104.1	110.1	115.2	121.9	131.2	151.9	146.3	154.1	172.2
Mail revenue	2.9	2.8	2.4	2.4	2.7	2.8	2.0	2.8	2.8	2.8	0.4	0.2	0.1
Station revenue	9.1	8.8	8.8	8.7	8.6	8.8	9.4	10.0	9.6	9.6	9.3	11.1	12.1
Other revenue	5.4	4.1	4.4	4.3	4.8	6.4	7.6	8.8	10.9	11.7	11.1	12.5	12.0

OPERATING EXPENSES

	1968	1968(A)[1]	1969	1970	1971	1972	1973	1974	1975	1976	1976(A)[2]	1977[3]	1978[3]
Total	613.3	562.8	593.9	639.0	664.4	689.6	738.0	858.7	893.2	952.1	890.5	937.7	996.8
Operating and maintenance -													
Total	512.6	472.2	501.4	544.5	568.1	592.2	629.8	737.6	774.3	830.0	779.5	826.3	874.4
Equipment maintenance and garage	89.4	81.1	88.0	97.8	101.5	101.1	104.3	118.0	123.7	129.8	119.8	124.4	128.8
Transportation	221.4	202.6	212.5	226.9	236.1	244.0	260.7	316.3	329.7	349.7	327.0	348.1	357.5
Station	97.6	93.9	100.2	110.0	115.2	119.2	127.6	145.7	149.6	163.6	157.8	164.2	175.5
Traffic solicitation and advertising	20.4	19.2	19.7	21.0	21.7	22.4	24.3	28.3	32.5	36.8	35.1	36.3	38.9
Insurance and safety	22.7	20.2	20.9	22.8	23.3	25.8	29.7	35.7	35.6	37.6	34.4	41.2	46.8
Administrative and general	61.1	55.2	60.1	66.0	70.3	79.7	83.2	93.6	103.2	112.5	105.4	114.1	126.9
Depreciation and amortization	40.5	36.2	34.0	33.3	32.6	29.6	32.5	38.3	38.6	37.0	33.5	30.4	38.8
Operating taxes and licenses[6]	48.1	44.5	46.9	49.1	51.5	54.0	58.9	63.3	64.3	67.3	63.1	66.0	68.1
Operating rents, net	12.1	9.9	11.6	12.1	12.2	13.8	16.8	19.5	16.0	17.8	14.4	15.0	15.5

1 Representing only carriers classified as Class I under test effective January 1, 1969; figures from ABA tabulations.
2 Representing only carriers classified as Class I under test effective January 1, 1977; figures from ABA tabulations.
3 Preliminary.
4 Income from continuing operations (1976-1978); ordinary income (1967-1975); not consolidated for affiliated carrier groups.
5 Operating expenses divided by operating revenues.
6 Excluding tolls and federal excise taxes on purchase of new buses and parts and accessories.

TABLE 5
EMPLOYEES AND THEIR COMPENSATION
Class I Carriers

	1968	1968(A)[1]	1969	1970	1971	1972	1973	1974	1975	1976	1976(A)[2]	1977[3]	1978[3]
ALL EMPLOYEES													
Average Number	37,487	33,520	33,628	34,383	34,731	34,147	33,829	35,621	35,140	33,740	31,030	29,700	29,000
Payroll ($ millions)	296.8	274.9	293.4	316.7	333.9	343.2	363.5	414.6	431.3	459.7	432.5	451.9	465.1
Average annual earnings (dollars)	7,917	8,200	8,725	9,211	9,614	10,051	10,747	11,640	12,270	13,620	13,940	15,215	16,038
DRIVERS													
Average number	18,480	15,970	16,003	16,111	16,225	16,062	15,598	17,050	17,090	16,310	14,750	14,400	14,000
Payroll ($ millions)	166.9	153.8	163.0	173.9	183.0	188.8	199.8	230.9	238.6	252.7	237.2	250.1	254.9
Average annual earnings (dollars)	9,032	9,629	10,186	10,794	11,280	11,756	12,810	13,540	13,960	15,490	16,080	17,368	18,207

1 Representing only carriers classified as Class I under test effective January 1, 1969; figures from ABA tabulations.
2 Representing only carriers classified as Class I under test effective January 1, 1977; figures from ABA tabulations.
3 Preliminary.

TABLE 6
TAXES--CLASS I CARRIERS
(Millions of Dollars)

	1968	1968(A)[1]	1969	1970	1971	1972	1973	1974	1975	1976	1976(A)[2]	1977[3]	1978[3]
Total	95.3	89.8	95.5	96.2	101.0	99.3	99.0	111.6	104.4	97.0	91.2	93.8	92.1
STATE AND LOCAL HIGHWAY-USER TAXES													
Total	23.9	21.9	21.9	22.9	23.0	22.8	22.8	23.6	23.1	22.6	21.3	21.5	21.8
Motor fuel and oil	10.0	9.1	9.5	9.9	9.8	10.2	10.4	10.8	10.3	10.1	9.5	9.6	9.6
Vehicle licenses and registration fees	7.6	7.0	6.9	7.2	7.5	7.1	6.9	6.7	6.6	6.3	5.9	6.1	6.4
Highway, bridge, tunnel and ferry tolls	6.3	5.8	5.5	5.8	5.7	5.5	5.5	6.1	6.2	6.2	5.9	5.8	5.8
FEDERAL AUTOMOTIVE TAXES													
Total	12.3	11.1	11.0	12.8	12.7	13.0	12.8	12.0	13.8	13.7	12.7	11.0	8.5
Motor fuel and oil	6.2	5.7	5.8	5.7	5.7	5.5	5.6	5.1	5.2	5.2	4.9	4.9	4.8
Vehicle licenses and registration fees (weight tax)	0.9	0.8	0.8	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.8	0.8	0.9
Excises on tires, tubes, vehicles and parts	5.2	4.6	4.4	6.2	6.1	6.6	6.3	6.0	7.7	7.6	7.0	5.3	2.8
SOCIAL SECURITY TAXES													
Total	13.0	12.0	13.1	13.5	15.0	16.9	21.2	24.8	26.0	29.4	27.2	29.3	32.0
Federal	11.8	10.9	12.1	12.5	13.9	15.3	19.2	22.5	23.8	25.4	23.7	25.3	27.4
State	1.2	1.1	1.0	1.0	1.1	1.6	2.0	2.3	2.2	4.0	3.5	4.0	4.6
OTHER OPERATING TAXES													
Total	9.6	9.2	10.1	11.1	11.8	12.5	13.0	14.0	14.3	14.4	14.1	14.4	13.8
Real estate & personal property	6.2	6.0	6.5	7.2	7.8	8.1	8.3	8.0	8.3	8.4	8.2	8.7	8.3
Other state	2.8	2.6	3.0	3.4	3.5	3.9	4.2	5.5	5.8	5.8	5.7	5.5	5.3
Other federal	0.6	0.6	0.6	0.5	0.5	0.5	0.5	0.5	0.2	0.2	0.2	0.2	0.2
INCOME TAXES													
Total	36.5	35.6	39.4	35.9	38.5	34.1	29.2	37.2	27.2	16.9	15.9	17.6	16.0
On income from continuing operations[4]	NA	NA	NA	NA	NA	NA	NA	31.7	NA	NA	9.7	11.7	13.0
Federal	34.6	33.8	37.3	33.5	35.5	30.9	26.2	28.8	NA	NA	8.4	10.2	10.4
State	1.9	1.8	2.1	2.4	3.0	3.2	3.0	2.9	NA	NA	1.3	1.5	2.6
Provisions for deferred taxes	NA	NA	NA	NA	NA	NA	NA	5.5	NA	NA	6.2	5.9	3.0

1 Representing only carriers classified as Class I under test effective January 1, 1969; figures from ABA tabulations.
2 Representing only carriers classified as Class I under test effective January 1, 1977; figures from ABA tabulations.
3 Preliminary.
4 Income taxes on ordinary income prior to 1976

NA – Information not available.

TABLE 7
PASSENGER TRAFFIC AND VEHICLE-MILES
(Millions)
Class I Carriers

	1968	1968(A)[1]	1969	1970	1971	1972	1973	1974	1975	1976	1976(A)[2]	1977[3]	1978[3]
REVENUE PASSENGER-MILES TRAVELED IN REGULAR-ROUTE INTERCITY SERVICE	15,370	14,570	14,252	14,173	14,104	13,576	13,898	14,667	13,240	12,560	11,990	12,560	11,900
PASSENGERS CARRIED													
Total Number	230	186	178	174	167	164	155	168.7	152.2	145.9	127.7	125.1	124.0
Regular-route intercity service	168	146	136	134	129	127	119	126.3	117.6	112.1	101.7	98.9	95.8
Local and suburban service	30	24	22	21	19	16	17	17.0	13.7	13.5	12.7	11.8	12.8
Charter and special service	32	16	20	19	19	21	19	25.4	20.9	20.3	13.3	14.4	15.4
VEHICLE-MILES OPERATED													
Total	977.3	881.8	868.7	870.9	856.0	845.8	850.0	885.6	848.9	838.0	774.6	766.2	738.7
Regular-route intercity service	818.9	761.0	740.5	742.2	726.7	706.7	703.8	725.1	689.0	672.4	635.4	629.6	604.2
Local and suburban service	22.8	19.9	17.4	16.9	16.2	15.2	16.9	16.7	13.0	11.9	10.8	10.6	9.6
Charter and special service	134.3	99.9	109.8	110.8	112.3	123.2	128.6	141.2	144.9	151.7	128.3	125.9	124.9
Non-Passenger service	1.2	1.0	1.0	1.0	0.8	0.7	0.7	2.6	2.0	2.0	0.1	0.1	0

1 Representing only carriers classified as Class I under test effective January 1, 1969; figures from ABA tabulations.
2 Representing only carriers classified as Class I under test effective January 1, 1977; figures ABA tabulations.
3 Preliminary.

TABLE 8
REVENUE AND OPERATING AVERAGES
Class I Carriers

	1968	1968(A)[1]	1969	1970	1971	1972	1973	1974	1975	1976	1976(A)[2]	1977[3]	1978[3]
REVENUES PER BUS MILE (cents)													
All services – average	71.1	72.6	77.9	82.9	88.6	91.7	95.8	105.3	112.5	119.0	120.4	**128.3**	**140.2**
Regular-route intercity service[4]													
Passenger revenue	59.7	60.9	65.3	68.8	74.3	76.5	79.9	89.4	93.2	96.1	97.4	**103.1**	**111.1**
Package express revenue	10.2	10.5	12.1	13.8	14.3	15.6	16.4	16.8	19.0	22.6	23.0	**24.4**	**28.5**
Charter and special service[4]	66.6	66.7	68.7	72.1	76.1	77.3	81.0	90.1	101.2	107.3	105.3	**114.2**	**125.2**
REVENUE in regular-route intercity passenger service													
Per passenger-mile (cents)	3.18	3.18	3.39	3.60	3.83	3.98	4.05	4.42	4.85	5.14	5.16	**5.18**	**5.67**
Per passenger (dollars)	2.91	3.19	3.55	3.81	4.19	4.25	4.73	5.13	5.46	5.76	6.09	**6.48**	**7.01**
PERCENT OF TOTAL OPERATING REVENUES													
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	**100.0**	**100.0**
Passenger revenue													
Intercity regular route	70.4	72.4	71.4	70.8	71.2	69.7	69.0	69.5	67.2	64.8	66.4	**66.2**	**64.8**
Local regular route	2.2	2.2	1.9	1.8	1.7	1.5	1.7	1.5	1.2	1.2	1.2	**1.1**	**1.1**
Charter and special service	12.9	10.4	11.1	11.1	11.3	12.3	12.8	13.6	15.4	16.3	14.5	**14.6**	**15.1**
Package express revenue	12.0	12.5	13.3	14.2	13.7	14.2	14.1	13.1	13.8	15.2	15.7	**15.7**	**16.6**
Station revenue	1.3	1.4	1.3	1.2	1.1	1.1	1.2	1.1	1.0	1.0	1.0	**1.1**	**1.2**
Other revenue	1.2	1.1	1.0	0.9	1.0	1.2	1.2	1.2	1.4	1.5	1.2	**1.3**	**1.2**
PASSENGER MILES													
Per bus mile (average load)[5]	18.8	19.1	19.2	19.1	19.4	19.2	19.7	20.2	19.2	18.7	18.9	**19.9**	**19.6**
Per passenger (average trip)[5]	92	100	105	106	109	107	117	116	113	112	118	**127**	**124**

1 Representing only carriers classified as Class I under test effective January 1, 1969; figures from ABA tabulations.
2 Representing only carriers classified as Class I under test effective January 1, 1977; figures from ABA tabulations.
3 Preliminary.
4 Per mile operated in such service.
5 Regular-route intercity service.

TABLE 9
EXPENSE AND LABOR COST AVERAGES
Bus Miles Per Employee
Class I Carriers

	1968	1968(A)[1]	1969	1970	1971	1972	1973	1974	1975	1976	1976(A)[2]	1977[3]	1978[3]
AVERAGE PER BUS-MILE (cents)													
Total operating expenses	62.8	63.8	68.4	73.4	77.6	81.5	86.8	97.0	105.2	113.6	115.0	**122.1**	**134.9**
Payrolls	30.4	31.1	33.8	36.4	39.0	40.6	42.8	46.8	50.8	54.8	55.8	**58.9**	**63.0**
Fringe labor costs	4.9	5.1	5.9	6.4	7.1	8.5	9.2	10.3	11.8	13.2	13.6	**14.9**	**17.2**
Nonlabor expenses	27.5	27.6	28.7	30.6	31.5	32.4	34.8	39.9	42.6	45.6	45.6	**48.3**	**54.7**
PERCENT OF TOTAL OPERATING EXPENSES													
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	**100.0**	**100.0**
Payrolls	48.4	48.9	49.4	49.5	50.2	49.8	49.3	48.3	48.3	48.3	48.6	**48.2**	**46.7**
Fringe labor costs	7.7	7.9	8.6	8.8	9.2	10.4	10.6	10.6	11.2	11.6	11.8	**12.2**	**12.8**
Nonlabor expenses	43.9	43.2	42.0	41.7	40.6	39.8	40.1	41.1	40.5	40.1	39.6	**39.6**	**40.5**
OPERATING EXPENSES AS PERCENT OF REVENUES[4]	88.3	87.9	87.7	88.5	87.6	88.9	90.6	92.1	93.6	95.5	95.5	**95.4**	**96.2**
BUS MILES PER EMPLOYEE													
All employees	26,070	26,310	25,830	25,330	24,650	24,770	25,130	24,860	24,160	24,840	24,960	**25,900**	**25,470**
Drivers	52,880	52,220	54,280	54,060	52,760	52,660	54,490	51,940	49,670	51,380	52,520	**53,200**	**52,760**

1 Representing only carriers classified as Class I under test effective January 1, 1969; figures from ABA tabulations.
2 Representing only carriers classified as Class I under test effective January 1, 1977; figures from ABA tabulations.
3 Preliminary.
4 Operating ratio.

TABLE 10
ACCIDENT DEATH RATES IN PASSENGER TRANSPORTATION*
Passenger Fatalities Per 100,000,000 Passenger Miles**
Domestic Operations

	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	3-year Average 1976-1978
Intercity buses	0.16	0.05	0.01	0.09	0.17	0.16	0.06	0.02	0.01	0.04	0.01	0.02
Automobiles	2.4	2.3	2.1	1.9	1.9	1.7	1.5	1.4	1.3	1.4	1.6	1.4
Railroads	0.10	0.07	0.09	0.23	0.53	0.07	0.07	0.08	0.05	0.02	0.02	0.03
Airlines	0.30	0.13	0.00	0.16	0.13	0.10	0.12	0.09	0.003	0.04	0.01	0.02

*These qualifications apply: Buses include only intercity operations (regular route and charter) of all Class I bus carriers reporting to the ICC and the Bureau of Motor Carrier Safety of the Federal Highway Administration, automobiles include taxis, railroads include only "railroads passenger trains," and airlines include only scheduled air transport planes.

**Excluding drivers or operating crews, except automobiles.

Source: ACCIDENT FACTS, National Safety Council, Chicago, except rates for intercity buses, which are derived by ABA from ICC and Bureau of Motor Carrier Safety data.

TABLE 11
MOTOR FUEL CONSUMPTION, EFFICIENCY, AND COST
Class I Carriers—1974-1978

	1974	1975	1976	1976(A)[1]	1977	1978
Consumption – millions of gallons	140.7	135.1	134.8	125.0	126.4	122.8
Efficiency						
Bus miles per gallon	6.3	6.3	6.2	6.2	6.1	6.0
Passenger miles per gallon	127[2]	121[2]	116[2]	117[2]	121[2]	118[2]
Cost						
Total						
Millions of dollars	54.3	57.2	60.8	57.0	62.6	62.8
Cents per gallon	38.6	42.3	45.1	45.6	49.5	51.1
Cents per bus mile	6.1	6.7	7.2	7.4	8.2	8.5
Without taxes						
Millions of dollars	38.4	41.8	45.5	42.4	48.0	48.4
Cents per gallon	27.3	30.9	33.7	33.9	38.0	39.4
Cents per bus mile	4.3	4.9	5.4	5.5	6.3	6.6
Taxes						
Millions of dollars	15.9	15.4	15.3	14.6	14.6	14.4
Cents per gallon	11.3	11.4	11.4	11.7	11.6	11.7
Cents per bus mile	1.8	1.8	1.8	1.9	1.9	1.9

1 Representing only carriers classified as Class I under test effective January 1, 1977.

2 Figured at average loads for regular-route intercity service (20.2 for 1974, 19.2 for 1975, 18.7 for 1976, 19.9 for 1977 and 19.6 for 1978); loads for charter and special services are typically much higher, making average passenger miles per gallon shown here understatements of actual experience for overall industry operations.

Source: Except as indicated, carrier reports to Interstate Commerce Commission on Forms QPA and MP-1 and Commission summaries in *Transport Statistics in the United States.*